



Michigan *Office of the Auditor General* **REPORT SUMMARY**

Performance Audit Driver Licensing and Vehicle Registration Processes Bureau of Branch Office Services and Bureau of Driver and Vehicle Records Department of State

Report Number:
23-250-02

Released:
January 2004

The Department of State's responsibilities include administering and enforcing sections of the Michigan Vehicle Code (Sections 257.1 - 257.923 of the Michigan Compiled Laws) pertaining to the registration of vehicles and the licensure of vehicles and operators. The Department's mission related to its vehicle registration and vehicle and operator licensure processes is to provide accurate records and timely services.

Audit Objective:

To assess the effectiveness and efficiency of the Bureau of Branch Office Services' (BBOS's) and the Bureau of Driver and Vehicle Records' (BDVR's) procedures for processing driver license and vehicle registration applications.

Audit Conclusion:

BBOS's and BDVR's procedures for processing driver license and vehicle registration applications were generally effective and efficient. However, we noted reportable conditions related to evaluation of BBOS effectiveness, system access controls, and recording of court abstracts (Findings 1 through 3).

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Audit Objective:

To assess the effectiveness of BBOS's and BDVR's internal control over driver licensing and vehicle registration-related revenues.

Audit Conclusion:

BBOS's and BDVR's internal control over driver licensing and vehicle registration-related revenues was generally effective. However, we noted a reportable condition related to branch office deposits (Finding 4).

Noteworthy Accomplishments:

The Department implemented a new cash management computer-based system that provides branch offices with cashier and revenue-recording functions. This new server-based system allows branch offices to perform multiple transactions for customers and automates many of its revenue-collecting functions. The new cash management system replaces the paper-based manual system that was used previously in conjunction with intelligent terminals.

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Audit Objective:

To assess the effectiveness of the Department's commercial driver license (CDL) program to ensure that only qualified drivers obtain and possess a CDL.

Audit Conclusion:

The Department's CDL program was generally effective in ensuring that only qualified drivers obtain and possess a CDL. However, we noted a reportable condition related to CDL certification (Finding 5).

Noteworthy Accomplishments:

The Department noted that it had established a connection between its operations and its CDL record partners at the National Driver Register and the Commercial Driver License Information System. This connectivity enables the Department to check these CDL national driver license databases to verify driver identity and eligibility, improve customer service, and promote traffic safety.

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Agency Response:

Our audit report contains 5 findings and 7 corresponding recommendations. The Department's preliminary response indicated that it agreed with 3 findings, partially agreed with 1 finding, and disagreed with 1 finding and that it has taken or will take steps to comply with all of the recommendations.

A copy of the full report can be
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Michigan Office of the Auditor General
201 N. Washington Square
Lansing, Michigan 48913

Thomas H. McTavish, C.P.A.
Auditor General

James S. Neubecker, C.P.A., C.I.A., D.P.A.
Executive Deputy Auditor General

Scott M. Strong, C.P.A., C.I.A.
Director of Audit Operations